

EUCALYPTUS GROVE HOMEOWNERS' ASSOCIATION

FINANCIAL & BUDGET

	2009 BUDGET	2008 ACTUAL	2007 ACTUAL	2006 ACTUAL	2005 ACTUAL
-- REVENUES --					
OWNER ASSESSMENTS	\$816,240.00	\$815,728.80	\$730,416.44	\$628,071.54	\$572,674.44
SPECIAL ASSESSMENT	0.00	0.00	0.00	25,857.36	511,132.70
INTEREST INCOME	15,000.00	13,784.13	13,263.20	25,840.33	8,587.16
OTHER INCOME	0.00	106,909.25	2,791.44	10,650.00	4,839.98
TOTAL REVENUE	\$831,240.00	\$936,422.18	\$746,471.08	\$690,419.23	\$1,097,234.28
-- EXPENDITURES --					
CLEANING	\$12,000.00	\$9,405.00	\$10,970.00	\$13,984.00	\$9,120.00
ELECTRIC	23,000.00	20,809.92	21,738.22	20,342.88	18,913.17
LANDSCAPING	63,000.00	61,020.00	54,035.00	55,020.00	59,605.00
LANDSCAPING SUPPLY/EXTRAS	24,000.00	8,625.15	12,340.15	15,608.69	27,901.14
MANAGEMENT	26,244.00	24,756.00	23,916.00	22,668.00	21,696.00
PAINTING	1,000.00	600.93	349.00	3,775.00	575.64
POOL MAINT & SUPPLIES	12,500.00	19,215.79	15,936.69	10,234.22	11,366.38
POOL HEATING (GAS)	10,000.00	7,041.47	7,388.95	7,334.66	7,835.06
REPAIRS & MAINT	50,000.00	31,922.83	30,877.75	36,561.76	441,477.73
RUBBISH REMOVAL	52,000.00	49,124.43	49,789.03	48,036.54	46,638.68
PATROL/ALARM SERVICES	2,500.00	0.00	0.00	1,008.00	0.00
SUPPLIES	4,000.00	4,519.61	3,468.55	2,942.53	2,328.10
WATER & SEWER	24,000.00	25,897.33	24,300.52	17,029.26	17,440.68
INSURANCE	135,000.00	102,022.99	128,213.28	135,133.07	74,985.91
PEST CONTROL	2,000.00	466.00	619.00	1,447.00	2,177.00
PROFESSIONAL FEES	5,000.00	2,784.30	8,888.58	16,029.31	19,765.82
TELEPHONE (ENTRY GATE)	500.00	441.58	427.38	387.51	458.35
TAXES	5,000.00	829.00	8,563.00	1,764.00	3,217.00
MISCELLANEOUS	3,000.00	2,085.18	2,099.46	4,010.96	4,258.81
TOTAL OPERATING EXPENSES	\$454,744.00	\$371,567.51	\$403,920.56	\$413,317.39	\$769,760.47
Plus: Amount Added to Reserve	376,496.00	564,854.67	342,550.52	277,101.84	327,473.81
TOTAL FUNDS NEEDED	\$831,240.00	\$936,422.18	\$746,471.08	\$690,419.23	\$1,097,234.28
CHANGE IN RESERVE:					
Total Funding	\$831,240.00	\$936,422.18	\$746,471.08	\$690,419.23	\$1,097,234.28
Less: Operating Expenses	(454,744.00)	(371,567.51)	(403,920.56)	(413,317.39)	(769,760.47)
Reserve Expenditures	(317,700.00)	(186,776.66)	(378,505.22)	(538,809.74)	(180,420.63)
NET RESERVE Increase (Decrease)	\$58,796.00	\$378,078.01	(\$35,954.70)	(\$261,707.90)	\$147,053.18

Item #1. MONTHLY FEES: In order to meet this budget, the monthly fees (assessments) will be:

(179 Units) **\$380.00 EFFECTIVE JANUARY 1, 2009**

Note: Units paying fees after the 30th day of the Month, will be charged a late charge of 1.5% of the outstanding balance

Item #2. SPECIAL ASSESSMENT: No Special Assessment is anticipated in 2009.

Item #3. FUNDS AVAILABLE:

12/31/08	Community West Bank	\$148,329.63		
	CDAR's Accounts	450,000.00		
	Operating Account	5,000.00	TOTAL	\$603,329.63
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Item 4. MAJOR REPAIRS AND REPLACEMENTS: The following cost estimates and reserve analysis is based on a reserve study which is reviewed by the Board of Directors each year to account for inflation and planning changes:

ITEM-Expected Life	EXPECTED		EXPECTED COST	RECOMMENDED		BALANCE NEEDED	2009 ADDITIONS	PROJ. BAL. 12/31/09
	LIFE	DATE DUE		IN RESERVE 12/31/08				
Roof Shingle (3 Bldgs)	25	2009	63,600	63,600	0	(61,056)	2,544	
Concrete Replacement	30	2009	40,000	40,000	0	(38,667)	1,333	
Siding Replacement	20	2009	75,000	75,000	0	(71,250)	3,750	
Paint Metal Fence & Rail	3	2009	6,400	6,400	0	(4,267)	2,133	
Termite Fumigation (Bal)	15	2009	19,100	19,100	0	(17,827)	1,273	
Stair Landing Reseal	4	2009	11,000	11,000	0	(8,250)	2,750	
Paint Wood/Metal Trim	4	2009	74,200	74,200	0	(55,650)	18,550	
Gate Operator (Slide)	10	2009	2,800	2,800	0	(2,520)	280	
Cabana Water Htr.	12	2009	2,700	2,700	0	(2,475)	225	
Asphalt Seal Coat/Repair	4	2009	22,900	22,900	0	(17,175)	5,725	
Roof Shingle	25	2010	148,400	142,464	5,936	5,936	148,400	
Exercise Room Equip.	15	2010	6,400	5,973	427	427	6,400	
Pool Pump	6	2010	800	667	133	133	800	
Spa Pumps	6	2010	1,700	1,417	283	283	1,700	
Gate Operator (Slide)	10	2010	2,800	2,520	280	280	2,800	
Paint Carports	6	2010	76,300	63,583	12,717	12,717	76,300	
Spa Filter	12	2010	1,300	1,192	108	108	1,300	
Tree Trimming	3	2011	15,900	5,300	10,600	5,300	10,600	
Paint - Wood Siding	6	2012	152,600	76,300	76,300	25,433	101,733	
Mailbox Pagodas	15	2012	12,700	10,160	2,540	847	11,007	
Asphalt Overlay	28	2012	165,400	147,679	17,721	5,907	153,586	
Lights-Street Fixtures	28	2012	22,300	19,911	2,389	796	20,707	
Paint Front Wood Fence	6	2013	6,400	2,133	4,267	1,067	3,200	
Spa Retile	30	2014	5,300	4,417	883	177	4,593	
Stair Rails (3.5')	30	2014	11,700	9,750	1,950	390	10,140	
Metal Pool Fence (6')	30	2014	6,500	5,417	1,083	217	5,633	
Cabana Floor & Wall Tile	30	2014	10,300	8,583	1,717	343	8,927	
Termite Fumigation (760)	15	2014	6,400	4,267	2,133	427	4,693	
Termite Fumigation (763)	15	2015	6,400	3,840	2,560	427	4,267	
Spa Heater	8	2016	4,000	500	3,500	500	1,000	
Pool Filter	12	2016	1,400	583	817	117	700	
Pool Heater	10	2016	3,500	1,050	2,450	350	1,400	
Sauna Heater	15	2016	2,700	1,440	1,260	180	1,620	
Termite Fumigation (763)	15	2016	6,400	3,413	2,987	427	3,840	
Stair Landing Resurface	20	2017	44,100	26,460	17,640	2,205	28,665	
Bridge Repair	15	2017	10,600	4,947	5,653	707	5,653	
Termite Fumigation (762)	15	2017	6,400	2,987	3,413	427	3,413	
Siding Replacement	20	2017	636,000	381,600	254,400	31,800	413,400	
Sub-Totals			\$1,692,400	\$1,256,252	\$436,148	(\$181,210)	\$1,075,042	

Sub-Totals (Previous Pg):		1,692,400	1,256,252	436,148	(181,210)	1,075,042
Pool Tile/Coping	20 2018	5,300	2,915	2,385	265	3,180
Pool Replaster	10 2018	10,600	1,060	9,540	1,060	2,120
Concrete Replacement	30 2018	66,000	46,200	19,800	2,200	48,400
Roof - Metal Carport	30 2018	159,000	111,300	47,700	5,300	116,600
Termite Fumigation (763)	15 2018	6,400	2,560	3,840	427	2,987
Split Rail Fence	35 2019	5,700	4,071	1,629	163	4,234
Termite Fumig. (7602)	15 2019	6,400	2,133	4,267	427	2,560
Termite Fumig. (7610)	15 2019	6,400	2,133	4,267	427	2,560
Intercom	15 2021	4,000	800	3,200	267	1,067
Card Readers/Buzzers	15 2021	4,200	840	3,360	280	1,120
Termite Fumigation (763)	15 2022	6,400	853	5,547	427	1,280
Termite Fumigation (764)	15 2022	6,400	853	5,547	427	1,280
Slide Gates	25 2022	6,400	3,072	3,328	256	3,328
Termite Fumigation (762)	15 2023	6,400	427	5,973	427	853
Gutters/Downspouts	20 2024	37,100	9,275	27,825	1,855	11,130
Front Wood Fence	20 2027	19,100	1,910	17,190	955	2,865
Siding Replacement	20 2028	106,000	5,300	100,700	5,300	10,600
Roof Shingle 7626, 30 & :	25 2031	63,600	7,632	55,968	2,544	10,176
Cabana Sauna/Bath Rem	26 2034	5,300	204	5,096	204	408
Reserve Surplus (Shortage)			(843,325)	843,325	224,845	(618,480)
TOTALS		\$2,223,100	\$616,465	\$1,606,635	\$66,844	\$683,309

Item #5: Ratio of actual cash reserves on hand to estimated cash reserves currently required	42.2%	Projected Ratio at Year-End	52.5%
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Item #6: Reserve Shortage per unit:	(\$4,711.32)	(\$3,455.20)
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Item #7: Reserve Projections at year-end for next five years:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Estimated Required in Reserve	\$1,301,790	\$1,223,788	\$1,367,587	\$1,174,285	\$1,327,584
Based on Current Funding:					
Net Change In Reserves	66,844	138,796	360,596	23,496	370,096
Projected Reserve Balance	683,309	822,105	1,182,701	1,206,197	1,576,293
Projected Percentage Funded	52.5%	67.2%	86.5%	102.7%	118.7%
Based on Plan Being Implemented:					
Net Change In Reserves Per Plan	66,844	138,796	360,596	23,496	370,096
Projected Balance Per Plan	683,309	822,105	1,182,701	1,206,197	1,576,293
Projected Percentage Per Plan	52.5%	67.2%	86.5%	102.7%	118.7%

Item #8: Reserve Funding Plan: The Board of Directors has adopted a plan to fully fund the reserves with increases in assessments and/or special assessments as needed. In the event of a surplus, the Board will reduce assessments as needed to eliminate the surplus in an orderly fashion. Increases or decreases in assessments shall be effective annually on January 1st in an amount adequate to meet increased operating costs and to fund the reserves.

NOTES:**IN 2006:**

1. New gate system installed with new openers & access cards (\$9,700-Openers were paid by assoc & sold to members).
2. Various trees trimmed throughout complex (Approx \$5,600).
3. Utility doors at 7634 replaced (Approx \$1,200).
4. Creekbed outlet #2 renovated (Approx \$8,800).
5. Exit gate damaged by unknown car replaced (Approx \$3,000).
6. Pool heater replaced (Approx \$3,300).
7. Carport roofs cleaned (Approx \$4,200).
8. Bender boards replaced throughout complex (Approx \$3,400).
9. Reroofed 7626, 7630, & 7634 (Approx \$54,400).
10. Dryrot & siding repaired or replaced at units #228, 229, 230, 231, 232, 236, 240, 245, 248, 249, 250, 251, 252, 328, 329, 330, 331, 332, 334, 335, 336, 337, 338, 340, 341, 345, 348, 349, 350, 351, 352, 353, 358, 359, 370, & 372 (Approx \$453,200).
11. The cost of earthquake insurance increased dramatically due to its general unavailability. The unexpected cost was borrowed from reserves which the Board voted to replace over three years.

IN 2007:

1. Bldgs 7636 & 7640 were fumigated for termites (Approx \$11,500).
2. Fence along Hollister Avenue replaced (Approx \$30,000).
3. Reserve Study done by JD Brooks (\$1,100).
4. Plants and irrigation installed on creekside of 7628 (Approx \$1,630).
5. Dryrot repaired at 202, 206, 207, 208, 209, 216, 217, 220, 244, 268, 271, 272, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 316, 317, 344, 368, 371, & 372. Replaced siding was painted. (Approx \$273,000).
6. The Board modified the reserve study by moving part of the roofing to 2008, increasing siding replacement reserves, changing the dates for exercise equipment and painting wood siding, & adding a reserve for concrete replacement.
7. Leaks under pool deck repaired (Approx \$2,200).
8. Dryrot repaired at #248, 259, 313, 348, 359, & 362 (Approx \$65,200).
9. Trees pruned around buildings & 8 new trees planted (Approx \$3,500).
10. Carport at 7634 hit by car. Repair cost reimbursed by insurance company (Approx \$4,500).

IN 2008:

1. Bldg 7624 fumigated for termites (Approx \$4,900).
2. Large Eucalyptus tree removed (Approx \$4,600).
3. Jacuzzi heater replaced (Approx \$3,800).
4. Trees trimmed throughout complex (Approx \$6,000).
5. New chemtrol installed for pool (Approx \$3,600).
6. Pool resurfaced, coping replaced & drains split (Approx \$22,300).
7. Majority of pool deck replaced (Approx \$10,000).
8. Wood in sauna replaced (Approx \$5,400).
9. Settlement received from Forester on siding (Approx \$103,900).
10. Dry rot repaired & painted at units #104, 207, 210, 211, 212, 219, 220, 257, 307, 308, 309, 310, 311, 312, 319, 333, 357, 366, & 367 (Approx \$107,000).
11. Projected cost of Major Repairs & Replacements increased by 6% to anticipate increases due to inflation.
12. Jacuzzi brought up to code-new drains & rails (Approx \$2,300).
13. Dry rot repaired at #205 back balcony (Approx \$19,000).

Item #9. INSURANCE: California Civil Code Section 1365 requires an annual insurance disclosure of the Association's insurance as follows:

GENERAL LIABILITY INSURANCE:

Company: Allstate Insurance Company

Coverage: \$2,000,000 Per Occurance

Umbrella: \$1,000,000 Per Occurance

Anniversary Date: November 15th

Deductible: None

Anniversary Date: March 5th

PROPERTY INSURANCE: Coverage: \$27,899,000

Company: Allstate Insurance Company

Anniversary Date: November 15th

Deductible: \$10,000

EARTHQUAKE INSURANCE: Coverage: \$30,466,890

Anniversary Date: November 15th

Company: Empire Insurance, Princeton E&S, & Lloyds of London **Deductible:** 5% of Total Insurable Value

FIDELITY INSURANCE: Coverage: \$150,000

Company: Allstate Insurance Company

Anniversary Date: November 15th

Deductible: \$250

FLOOD INSURANCE: The Association has none.

This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate coverage.

REQUIRED DISCLOSURES:

ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY: (Required by Civil Code Section 1365.2.5)
Item #'s are found on the first few pages.

- (1) The current assessment per unit is as per **Item #1**.
- (2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members are as per **Item #2**.
- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**, provided the schedule as per **Item #4** is adequately funded by regular or special assessments. If there is a shortage in reserves, the amount of that shortage on a per unit basis is shown as per **Item #6**.
- (4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years? **Not Applicable**.
- (5) All major components are included in the reserve study and are included in its calculations. See schedule as per **Item #4**.
- (6) As of the last reserve study or update, the current balance in the reserve fund is as per the schedule at **Item #4**. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the required amount in the reserve fund is as per the schedule at **Item #4**.
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years, the projected balance in each of the years taking into account only assessments already approved along with other known revenues, the projected percentage of funding, the projected balance if the funding plan approved by the association is implemented, and the projected percentage of funding if the plan is implemented are all shown per the schedule at **Item #7**.

NOTE: (a) The financial representations set forth in this summary are based on the best estimates of the preparer at that time. These estimates are subject to change. (b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 1365.5. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

EUCALYPTUS GROVE - Required Disclosures (Cont)

ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY (Cont.):

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation. The information contained in this disclosure is a **PROJECTION ONLY**. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.

MINUTES & NAMES AVAILABLE: Each year the Association is required to disclose that minutes for all Association or Directors' meetings, and a list of owners are available to all owners. The cost, if any, of providing copies of the minutes and owners' list is to be paid by the requester.

DELINQUENCY & LIEN POLICY: Unless otherwise stated all fees and assessments (including special assessments) are due on the first day of each month, in advance, and shall be delinquent 30 days after the due date. A late charge of 1.5% of the delinquent fee or assessment will be charged and added to the amount due. If fees, assessments, and/or late charges are unpaid at the end of any given month, a lien will be filed against the delinquent unit for the full amount due plus applicable interest, attorney fees, lien filing costs and other costs of collection. If the balance due is not paid within thirty (30) days after the lien is filed, the Association may take any and all actions permitted by law including, but not limited to, filing suit and/or foreclosing the lien.

PRIOR ADR REQUIRED: Each year the association is required to disclose that before an association or member files a lawsuit to enforce the governing documents, (other than for the collection of assessments), the parties must attempt to resolve the dispute by use of Alternative Dispute Resolution. "Failure of any member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

INTERNAL DISPUTE RESOLUTION PROCESS: The Association has adopted the procedures as per Section 1363.840 of the Civil Code.

INSURANCE: See summary as per Item #9.

MODIFICATIONS REQUIRE PRIOR APPROVAL: Each year the Association is required by Section 1378 of the Civil Code to disclose that all modifications or alterations which alter the common area or the exterior appearance of any structure in any way, require **prior** written approval of the Board of Directors or a designated committee of the Board. In addition, any alterations to the structure of any unit or building or alterations which may impact another owner in any way also require **prior** written approval.

Written requests must be submitted to the Board or designated committee for approval which shall approve, conditionally approve, or reject the request in writing within a reasonable time, but in no event later than ninety days from date of receipt of the request. If denied, the requestor shall be given the opportunity to appeal the decision or ask for reconsideration of the Board at the Board's next regularly scheduled meeting.

The following is a notice required by Civil Code Section 1365.1:

NOTICE: ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code).

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

ASSESSMENTS AND FORECLOSURE (Cont):

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who

received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)"